

PROPOSITION C – FISCAL IMPACT

Mayor Sanders has undertaken a number of efforts to streamline city operations with the objective of providing city services in the most cost-effective and efficient manner possible, while protecting the public interest. One method used successfully by other local jurisdictions to achieve greater efficiency has been to seek competitive bids from private- and public-sector providers for certain appropriate services.

However, the City Charter currently limits the City's ability to contract out public services traditionally performed by City employees. This restriction in most cases prevents the City from entering into contracts with private companies even if doing so is shown through the bidding process to save the City money or create improved services or greater efficiencies. Proposition C would expand the City's ability to utilize "managed competition" for delivery of appropriate public services.

No significant new costs are anticipated as a result of the managed competition process. The Mayor would be responsible for oversight and contract utilizing existing City staff. Outside experts on an independent review board will serve without compensation and will be required to comply with strict conflict-of-interest requirements.

Limited costs will be associated with annual financial audits required to confirm that projected savings are in fact being achieved and an independent audit of the process required every five years.

Based on the experience of other jurisdictions, it is anticipated there will be significant cost savings as a result of increased efficiency in operations. The scope of the fiscal impact of this measure is unknown at this time. Cost savings from this measure will not be realized in the FY 07 budget, but will be reflected in future budgets as the program is fully implemented.